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ABSTRACT

In this instance, the Joint Committee on Higher Education in Washington State was directed to review capital funding methods at the 4-year institutions of higher education in the state. The major finding of the study, which emerged after an intensive survey of bond practices, was that some means should be found to enhance management effectiveness in this area. To achieve this aim, a bill has been prepared that authorizes the State Finance Committee to provide coordination and technical assistance in the procedures relating to the timing and sale of bond issues for the institutions of higher education, and a resolution will be offered to give continued study to the possibility of securing more advantageous terms of sale for such bond issues. As a corollary, a bill will be submitted that would allow the state's colleges and universities to share in the deposit interest now distributed to other accounts by the state treasurer. (Author/HS)

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Washington State Legislature

JOINT COMMITTEE ON

HIGHER EDUCATION

HE 003931

Bond Management — Higher Education

September, 1972

TASK FORCE MEMBERSHIP - HR 97
(Bond Management for Higher Education)

Name	Organization
Rep. John Rabel Task Force Chairman	Joint Committee on Higher Ed.
Jim Bricker Executive Secretary	Joint Committee on Higher Ed.
Carl Donovan Educational Planner	Council on Higher Education
Terry McCarthy Senior Fiscal Analyst	Legislative Budget Committee
Jim Sainsbury Education Program Coordinator	Office of Program Planning & Fiscal Management
John Hitchman Executive Secretary	State Finance Committee
Warren Bishop Vice-President for University Development	Washington State University
Dean Clabaugh Vice-President for Business	The Evergreen State College
W. Phillip Strawn Director	Washington State Research Council
Dr. Barbara Howard Study Research Director	Joint Committee on Higher Ed.

Revised 9/22/72

State of Washington

SEN. GORDON SANDISON, *Chairman*
Port Angeles
REP. PEGGY JOAN MAXIE, *Secretary*
Seattle
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Seattle
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SEN. HARRY B. LEWIS
Olympia
REP. RICHARD L. SMYTHE
Vancouver
SEN. JOE STORTINI
Tacoma

JOINT COMMITTEE ON HIGHER EDUCATION

J. ARNOLD BRICKER, Executive Secretary

September 29, 1972

Governor Daniel J. Evans and
Members of the Legislature:

House Resolution 71-97 directed the Joint Committee on Higher Education to review capital funding methods at the four-year institutions of higher education. The report of the Joint Committee on Higher Education is herewith submitted for your consideration.

The major finding of the study, which emerged after an intensive survey of bond practices, was that some means should be found to enhance management effectiveness in this area. To achieve this aim, a bill has been prepared which authorizes the State Finance Committee to provide coordination and technical assistance in the procedures relating to the timing and sale of bond issues for the institutions of higher education, and a resolution will be offered to give continued study to the possibility of securing more advantageous terms of sale for such bond issues. As a corollary, a bill will be submitted which would allow the state's colleges and universities to share in the deposit interest now distributed to other accounts by the State Treasurer.

Sincerely,

Gordon Sandison

GORDON SANDISON
Chairman

GS:IK

ROOM 218, HOUSE OFFICE BUILDING OLYMPIA, WASHINGTON 98504 TELEPHONE 753-5390 AREA CODE 206

BOND MANAGEMENT FOR HIGHER EDUCATION

PURPOSE

The purpose of this report is to comply with the terms of House Resolution 71-97, which directed the Joint Committee on Higher Education to "conduct a study into the present methods of funding capital construction of user facilities at four year institutions of higher education" (see Appendix A).

RECOMMENDATIONS[1]

The Committee recommends that:

1. *In the interest of achieving increased management effectiveness and avoiding adverse marketing conditions, the State Finance Committee be authorized to provide coordination and technical assistance to the state universities, the state colleges, and the community college system in the procedures related to the sale and the timing of all bond issues supported by tuition and other institutional revenues (see Appendix E).*

2. *To accomplish the above objective, the State Finance Committee provide assistance to the institutions of higher education in planning the timing of bond issues, preparing the necessary statements and prospectuses, deciding whether to retain financial consultants, and other similar procedures attendant on the sale of such bonds.*

3. *An advisory committee be created to assist the State Finance Committee in performing these functions, to be composed of representatives of the Office of Program Planning and Fiscal Management, the State Finance Committee, the community college system, and the institutions of higher education (see Appendix E).*

4. *The institutions of higher education and the State Finance Committee be encouraged to explore to the maximum possible extent the availability of federal grants, loans, interest subsidies, or similar assistance programs applicable to the construction of academic or other capital facilities.*

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[1]These recommendations reflect consensus reached by Task Force members as individual specialists, and are not presented as official policy of the agencies they represent.

5. *Continued study be made of the possibility for securing more advantageous terms of sale for bond issues of institutions of higher education (see Appendix F).*

6. *The regular reporting procedure in the Office of Program Planning and Fiscal Management be expanded to reflect more comprehensively the bonding activities of the institutions of higher education (see Appendix C for suggested report form).*

7. *The capital projects and building accounts in the general fund receiving the proceeds of bond issues secured by revenue other than state general funds share in the distribution of deposit interest in proportion to the amounts in the respective accounts (see Appendix G).*

POLICY QUESTIONS

1. What has been the experience of institutions of higher education in issuing bonds for capital improvements?

2. How can the best possible market conditions be secured for such bond issues?

BACKGROUND

House Resolution 71-97 was a companion measure to House Resolution 71-41, directing a study of revenue sources for capital purposes at the community colleges, which was undertaken concurrently by the Joint Committee (a separate report is being prepared on that subject).

To assist the Joint Committee in its investigation under H.R. 71-97, a special task force was created, composed of members of the Joint Committee and staff, and representatives of the Office of Program Planning and Fiscal Management, the State Finance Committee, the Legislative Budget Committee, the Council on Higher Education, the Washington State Research Council, and the public four-year institutions of higher education (see Appendix B).

In early discussions, the Task Force concluded that, while the institutions of higher education have for some time regularly provided the Office of Program Planning and Fiscal Management with some data on bond activity for capital budgeting purposes, there was no central source of information serving all the objectives of this study. It was therefore decided to distribute a questionnaire to all of the schools (see Appendix C). It was agreed that, in order to provide full comparability, data should be secured on all institutional bond issues. In addition, to complement this study, it was decided to request similar information from the community colleges.

The Task Force was particularly appreciative of the fact that, although the questionnaire was extensive and required considerable staff effort, all of the four-year institutions, as well as the community colleges affected, responded with detailed information. Staff members of the State Finance Committee provided the data with respect to statewide bond issues affecting higher education.

FINDINGS

Results of the bond questionnaire. The information gathered from the detailed survey of bond experience is summarized in the tables of Appendix D, together with an explanatory statement. The results have been graphically portrayed in Figure 1, which compares the effective interest rates of bonds issued by the institutions with those issued by the State Finance Committee, and Figure 2, comparing institutional bonds as between those supported by tuition and those supported by other fees and revenues.[2]

In plotting the trends for institutional bonds, only the issues which were sold in the open market were included. Issues in which federal government agencies participated, either through

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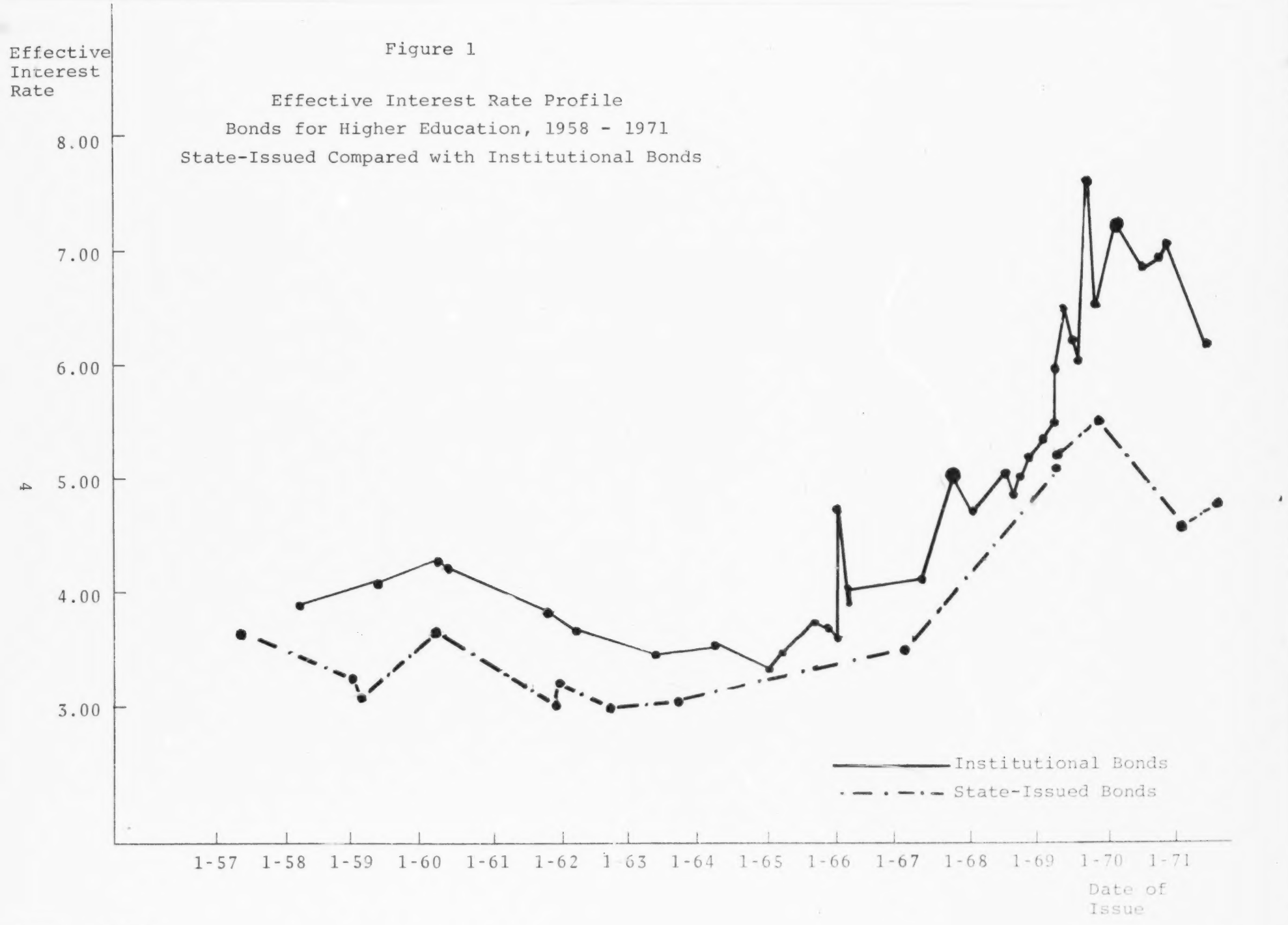
[2]Bond issues for higher education are variously designated as follows: (a) "g.o." or "general obligation" bonds, which refer to those statewide issues secured by the general tax revenues of the state -- they must be authorized by the voters, and may cover other purposes as well as higher education; (b) "local fund" or "user facility" bonds, which cover such projects as dormitory and dining facilities, parking lots and garages, student union buildings, and other activity structures, and are usually financed by a combination of facility revenues and a portion of services and activities fees; and (c) "tuition" bonds, normally issued for academic buildings, and supported by a portion of regular tuition fees, plus investment interest from designated permanent land grant funds.

Figure 1

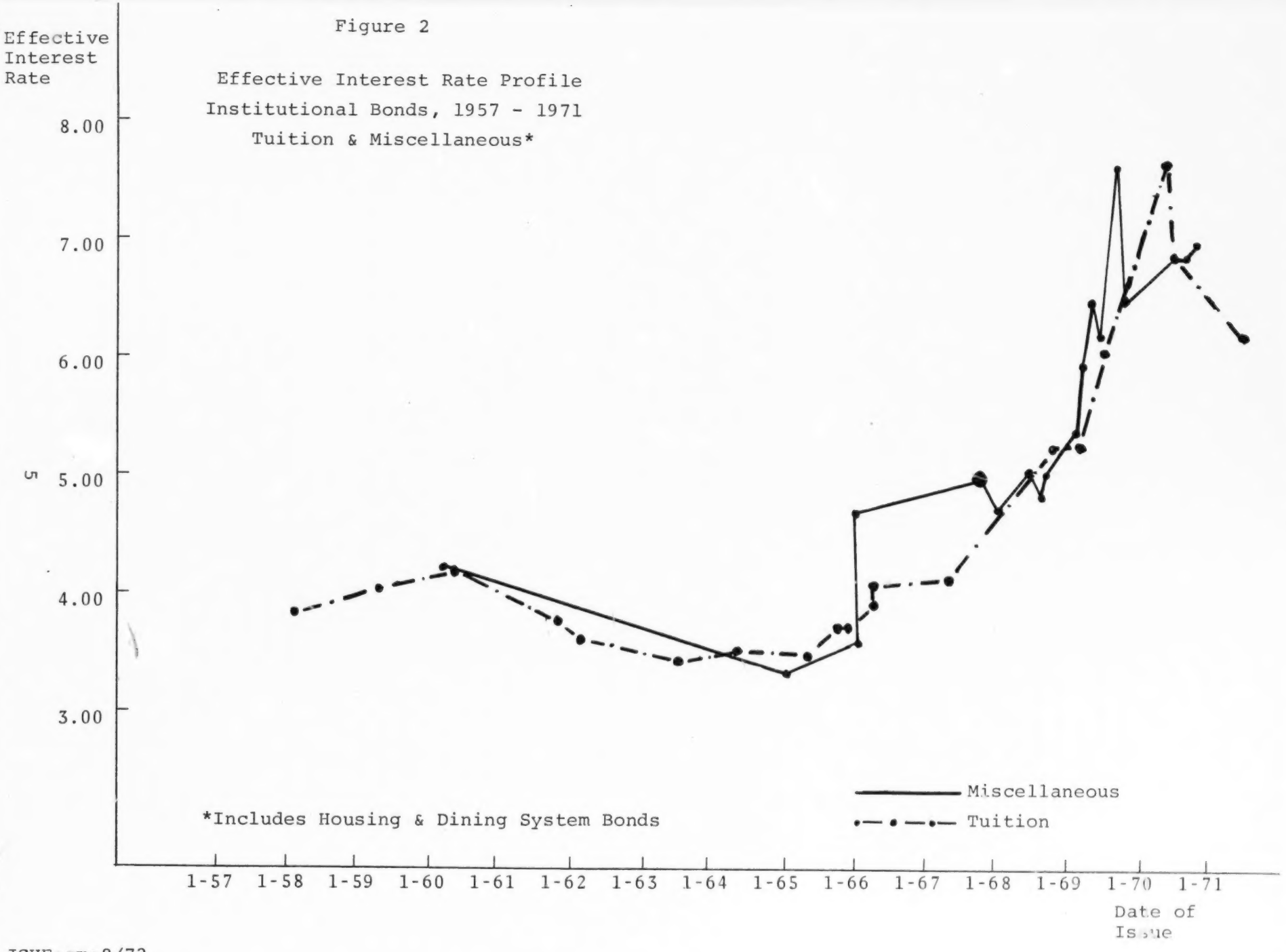
Effective Interest Rate Profile
Bonds for Higher Education, 1958 - 1971
State-Issued Compared with Institutional Bonds



JCHE:cm:8/72

Figure 2

Effective Interest Rate Profile
Institutional Bonds, 1957 - 1971
Tuition & Miscellaneous*



*Includes Housing & Dining System Bonds

JCHE:cm:8/72

direct purchase or through interest subsidies, were excluded, since this federal assistance is designed to produce more favorable, or lower, interest rates. Had these issues been included, the overall trend would have been distorted. One other institutional issue is not reflected in Figure 1 because its term was only 15 years, whereas virtually all of the other issues were for 25 or more years. Short-term issues command markedly lower interest rates than long-term bonds. Several of the state-issued bonds include funding for other purposes as well as higher education.

Because of the complexities of capital financing, and particularly in view of the volatility of the bond market, considerable care must be exercised in attempting to draw conclusions from data of this kind. It is demonstrated, however, that the bonds supported by the state's general fund attracted consistently lower interest rates than the institutional issues.[3] Tending to support this conclusion is the fact that the institutional bonds in many cases were rated below the state issues by the commercial bond rating services.[4]

Another rough method of evaluating interest costs between state and institutional debt is to compare the various types of issues with general market conditions. This is done in much the same way as the Dow Jones averages reflect the activity of the stock market. In the case of bond issues, a municipal market indicator is found in the Bond Buyer's 20-bond index.

Several bond issues in the current survey of higher education were compared for the period 1968 to 1971. In a sampling of six tuition-supported issues, it was found that they were sold at average rates 60 basis points (.60 percent) above the Bond Buyer's index for the period; five issues supported by miscellaneous fees were 81 basis points (.81 percent) above the market; and eight housing and dining bond issues carried an average interest yield cost 88 basis points (.88 percent) in excess of the index. This compares with a sampling of five highway bond issues which sold 25 basis points in excess of

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[3] It should also be noted that there is still another form of state indebtedness which has been used for higher education capital projects. This is represented by the short-term notes issued as an interim measure by the State Building Authority. As with state-issued bonds, these notes have carried lower interest rates than institutional bonds.

[4] The standard rating firms are Moody's Investor Service and Standard and Poor Investor Service. Their rating methods differ somewhat, but the comparisons are similar.

the market, and state general obligation issues (admittedly only 20-year maturities), which sold at .70 percent below the Bond Buyer's index. In other words, by this measure, the extreme difference for a comparable period was 1.5 percent in interest costs between the state-issued and the institutional bonds.

Caution should be exercised in interpreting this evaluation. The bonds discussed above were issued in a period of general money scarcity and high interest rates; normally, the spread shown above, while still marked, would not have been so great.

Bond management. In discussing the relative interest rates commanded by bonds for higher education, Task Force members agreed that the only effective means of securing substantially lower costs for debt service would be for those bonds to be secured by the full faith and credit of the state, as is the case with the state-issued general obligation bonds. Further adding to this argument is the thesis that higher education issues are generally recognized as obligations of the state as a whole, and that the Legislature would be morally obligated to redeem any issues that went into default; therefore, it would be only logical to recognize this obligation at the outset and simply issue these bonds as general obligations.

On the other hand, there is a long tradition in Washington State that the institutions of higher education are expected to finance considerable portions of their capital plants from sources generated locally. In addition, state policy has sought to preserve institutional flexibility and autonomy to the greatest extent possible. The capital planning process is closely tied to this concept of autonomy. In preparing its long-range capital plan and its successive capital budgets, each institution must take account of enrollment projections, shifts in academic programs, relative emphasis on graduate and undergraduate instruction, and a number of similar factors.

The actual "management" of bond issuance and sale is a process which occurs after the major capital improvement decisions are made. At present, there is no formal coordination among institutions in "bond management," nor is there any public source of technical assistance in drafting the bond prospectus, determining whether it would be advantageous to retain financial consultants, or preparing and timing the sale of institutional bonds for higher education. This kind of function is performed for most statewide issues, including those general obligation bonds for higher education, by the State Finance Committee. The advantages of centralizing bond

management have been reviewed in studies from previous biennia, and such a proposal was included in the 1970 Report of the Governor's Task Force on Executive Reorganization.[5]

Task Force members noted that the Governor's reorganization proposals in 1971 had also recommended centralization of investment management as well as bond management. They agreed that, while the two functions involve many of the same skills, they are not so inextricably bound together as to require action on investments, since the current concern was with institutional bonding.

Sources of debt service. In discussing the results of the questionnaire, the Task Force reviewed the general status of revenue sources for capital funding, relying primarily on the findings of an exhaustive study undertaken by the Council on Higher Education under the terms of House Concurrent Resolution 71-7.

There was consensus among Task Force members that the total pool of resources available for capital purposes is not likely to continue expanding in the same fashion that it has over the past two decades. Several factors seem to influence this pattern. The basic sources of funds for academic construction -- a portion of tuition fees at all of the institutions, and the investment income on permanent land grant funds for most of the schools -- have limited potential for the near future.[6] Most outstanding bond issues still have at least 15 years to run (see Appendix D). Current economic restraints and the possibility of declining enrollments compound the situation.

Much the same can be said for the so-called "user facilities," such as dormitories, student service buildings, and parking facilities. Here, again, enrollment is the critical factor, since services and activities fees and facility revenues depend in large part on the size of the student body.

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[5]The proposal was encompassed in H.B. 591 (1971), which was ultimately superseded by E.H.B. 1022. The latter bill died in the Senate Rules Committee in the closing days of the session.

[6]The permanent land grant funds include the Scientific Fund at Washington State University, the Permanent Fund of the University of Washington, and the Normal School Fund for Central, Eastern, and Western Washington State Colleges. In effect, this source is not available to The Evergreen State College. The principal of these funds is irreducible.

In light of the fact that no new or expanded in-state revenue sources are presently foreseen, Task Force members agreed that available forms of federal assistance become even more significant. Although the level of funding appropriated by the Federal Congress and the availability of capital grants under Title I of the Higher Education Facilities Act has declined, interest subsidies continue to be available under Title III. The precise amounts available for interest grants are not readily discernible at any given time, but it is known that some states have not utilized the full allocation for which they are eligible; there is a provision that some of these unused allocations may be shifted to other states. Moreover, there is a specific provision that "higher education building agencies" -- such as the State Building Authority -- are eligible for interest grants. Some assistance is also available, particularly for student-related facilities, through the Department of Housing and Urban Development. There was strong agreement that all of the institutions be encouraged whenever possible in capital planning to make use of these forms of support.

Introducing an element of uncertainty into the deliberations of Task Force 97 was the presence on the November, 1972, general election ballot of the constitutional amendment embodied in H.J.R. 52, which would significantly alter the debt structure of the State. If H.J.R. 52 passed, the change in the State's bonding base would directly affect capital funding for higher education, and the State Building Authority device would be abolished; if it failed, more use might be made of the State Building Authority.

Deposit interest. During their deliberations, Task Force members noted that an anomalous situation exists with respect to the interest earned from bond proceeds that are temporarily invested until they are needed for direct expenditure on capital projects.

Traditionally, such "deposit interest" on capital accounts within the general fund has been credited to the general fund, not to the respective capital accounts. In effect, interest earned on most higher education bond issues has not accrued to the institutions. Currently, only the Building Account of Washington State University receives deposit interest. A bill (S.B. 192) which would have accomplished this purpose for the community colleges did not emerge from committee in the 1972 session, given the historic legislative-executive policy on deposit interest credit.

The historic policy has held that interest earned by accounts within the general fund should be credited to the fund as a whole. However, it can also be argued that interest earned by accounts which are generated from sources other than general state revenues -- as is the case with tuition-supported bonds for higher education -- should logically be credited to the original source.[7]

The State Treasurer's office reported that approximately 80 percent of the total of deposit interest is distributed annually to the various funds currently credited with these earnings. This is because 20 percent of the earnings are held in an interest reserve account, established to cover losses. The table below shows the hypothetical amounts that would have been distributed at the end of fiscal 1972 to the capital projects accounts of the higher education institutions if the overall factor (.040294223) had been applied. This was the figure used to calculate the distribution for other funds at that time. Exact projections for future distributions are difficult to estimate, since the average annual balances in the capital projects accounts fluctuate sharply with the timing and amounts of specific bond sales.

Institution	Average Annual Balance Fiscal 1972	Hypothetical Deposit Interest
Comm. Colleges	$9,223,410.21	$371,000
EWSC	475,328.96	19,000
WSU	1,229,263.40	49,000*
CWSC	2,454,372.87	99,000
UW	2,500,910.06	101,000
WWSC	989,488.87	40,000
Evergreen	114,589.43	4,600
		$683,600

* The amount actually distributed to Washington State in Fiscal 1972 was slightly more than $53,000.

[7] Even within the general fund, a noticeable shift in state policy was exhibited in the 1972 package of bills proposing six major general obligation bond issues, which was designated as "Washington Future." In these bills, the bond accounts, rather than the general fund as a whole, would receive the deposit interest generated by those bond issues. The bond issues authorized for the ballot were as follows: waste disposal facilities, Ch. 127, Laws of 1971, 2d Ex. Sess.; water supply facilities, Ch. 128; public recreation improvements, Ch. 129; social & health service facilities, Ch. 130; public transportation, Ch. 132; and community college construction, Ch. 133. In each case, the language pertaining to deposit interest can be found in Section 3.

CONCLUSIONS

Reporting procedures. To augment the pool of bonding data currently available through the Office of Program Planning and Fiscal Management, the Task Force recommended an expanded reporting system based on the survey questionnaire. Institutions would be requested to report in greater detail on each new bond issue sold, as well as on outstanding issues retired and bonds redeemed.

Bond management. To take better advantage of marketing conditions, the Task Force agreed that the State Finance Committee should be authorized to provide technical assistance and coordination in the preparation and sale of all bond issues for higher education. An advisory committee composed of representatives of the Office of Program Planning and Fiscal Management, the State Finance Committee, the community college system, and the institutions would be created to assist in carrying out this function. The recommendation is formalized in bill form in Appendix E.

Task Force members agreed that it is not currently feasible to bring all bonds for higher education under the umbrella of the state's full faith and credit, but recommended that an intensive review of possible alternatives for securing better market terms be made by the advisory committee created above (see study resolution in Appendix F).

Deposit interest. The Task Force agreed to recommend that deposit interest earned from the unexpended proceeds of higher education bond issues be credited to the respective capital projects accounts in the general fund. This recommendation is included in Appendix G.

LIST OF APPENDICES

Appendix A	H.R. 71-97
Appendix B	Task Force Roster
Appendix C	Questionnaire Form
Appendix D	Questionnaire Summary Table
Appendix E	Bond Management Bill (H.B. __)
Appendix F	Study Resolution (H.C.R. __)
Appendix G	Deposit Interest Bill (H.B. __)
Appendix H	Fiscal Note

IN THE LEGISLATURE
of the
STATE OF WASHINGTON

HOUSE OF REPRESENTATIVES

Resolution No. 71-97 by Representatives Lynch,
Goldsworthy and King

WHEREAS, The four year institutions of higher education are empowered to and do construct user facilities financed through the sale of revenue bonds; and

WHEREAS, User facilities such as parking lots or student union buildings often bring in small amounts of revenue; and

WHEREAS, The small amounts of revenue brought in by such user facilities often result in the sale of the revenue bonds at less favorable terms increasing the state's costs.

NOW, THEREFORE, BE IT RESOLVED, By the House of Representatives, That the Joint Committee on Higher Education shall conduct a study into the present methods of funding capital construction of user facilities at four year institutions of higher education.

BE IT FURTHER RESOLVED, That the Joint Committee on Higher Education shall report to the next Session of the Legislature on the results of such study including any legislation recommended.

ADOPTED May 10, 1971.

APPENDIX B

TASK FORCE MEMBERSHIP - HR 97
(Bond Management for Higher Education)

Name	Organization
Rep. John Rabel Task Force Chairman	Joint Committee on Higher Ed.
Jim Bricker Executive Secretary	Joint Committee on Higher Ed.
Carl Donovan Educational Planner	Council on Higher Education
Terry McCarthy Senior Fiscal Analyst	Legislative Budget Committee
Jim Sainsbury Education Program Coordinator	Office of Program Planning & Fiscal Management
John Hitchman Executive Secretary	State Finance Committee
Warren Bishop Vice-President for University Development	Washington State University
Dean Clabaugh Vice-President for Business	The Evergreen State College
W. Phillip Strawn Director	Washington State Research Council
Dr. Barbara Howard Study Research Director	Joint Committee on Higher Ed.

Revised 9/22/72

APPENDIX C

JOINT COMMITTEE ON HIGHER EDUCATION

218 House Office Bldg. - Olympia, Wn. 98504

CAPITAL FACILITIES STUDY - Part I

Bond Issue Profile

(As of June 30, 1971)

Institution: 1.		*Description of Issue:* 2.	
Date of Issue: 3.		*Project Title(s):* 4.	
Date(s) of Sale: 3A.			
Statutory Authority: 5.		*Construction___% Improvement___% Renovation___%* 6. *(percent of total)*	
Total Authorized: 7. $	*Amount Issued:* 8. $	*Redeemed:* 9. $	*Outstanding:* 10. $
Term of Bonds: 11.	*Last Maturity (Date):* 12.	*Effective Int. Rate:* 13.	*Total Interest:* 14. $
Average Annual Debt Service: 15. $	*Maximum Annual Debt Service:* 16. $	*Issue Negotiated: ( )* *Sold Competitively: ( )* 17.	
Reserve Requirements, Debt Service Coverage, Other Protection: 18.			
Refunding Provisions, If Any: 19.			
Source of Debt Service: 20.		*Budget Fund Number:* 21.	
Rating of Issue, If Any: 22.	*Rating Service(s):* 23.		
Financial Adviser (Firm Name): 24. *Fee: $*		*Bond Counsel (Firm Name):* 25. *Fee: $*	
Other External Costs? Please Explain. 26.			

-- *PLEASE ATTACH RETIREMENT SCHEDULE* --
(Principal & Interest)

Prepared by: _____ *Title:* _____ *Date Submitted:* _____

JCHE:bh
11/21/72

Washington State
STATEWIDE BOND ISSUES
AFFECTING PUBLIC HIGHER EDUCATION
(As of September, 1971)

SERIES	STAT. AUTHD.	DATE SOLD	TERM (Years)	TOTAL AUTHD. (000)	AMT. SOLD (000)	AMT. FOR HIGHER EDUC.[a] (000)	EFF. INT. RATE (%)	AVE. ANNUAL DEBT SERVICE	MAX. ANNUAL DEBT SERVICE	G.O. ?	LIEN
A-Pub.Bldg.	'57	5/57	20		$ 10,000		3.7141	$ 716,000	$ 770,470	No	1st
B-Pub.Bldg.	'57	1/59	18	$ 19,875	9,875	$ 11,920	3.24113	737,000	866,554	No	1st
Inst.Bldg.	'57	2/59	20	25,000	25,000	14,085	3.17472	1,710,400	1,790,520	Yes	2nd
Cap.Prjts.	'59Ex	3/60	20	10,089	10,089	2,680	3.65301	745,065	780,415	No	3rd
A-Pub.Bldg.	'61Ex	12/61	20		7,323		3.133768	223,673	645,625	No	4th
B-Pub.Bldg.	'61Ex	12/61	20		5,233		3.21299	360,141	377,045	No	4th
C-Pub.Bldg.	'61Ex	9/62	20		5,000		3.052936	336,644	371,520	No	4th
D-Pub.Bldg.	'61Ex	9/63	20	27,556	10,000	11,008	3.0914	701,067	768,840	No	4th
A-H.Ed.&Inst.	'65Ex	1/67	20		10,000		3.5432	710,275	745,200	Yes	6th
B-H.Ed.&Inst.	'65Ex	3/69	18		10,000		5.120092	858,704	874,357	Yes	6th
C-H.Ed.&Inst.	'65Ex	10/69	10	40,149	20,149	32,365	5.5477	2,711,494	2,727,175	Yes	6th
A-St.Bldg.&HEd.	'67Ex	3/69	20		15,000		5.16667	1,220,102	-0-	Yes	7th
B-St.Bldg.&HEd.	'67Ex	1/71	20		25,000		4.5685	1,952,454	2,199,600	Yes	7th
C-St.Bldg.&HEd.	'67Ex	9/71	20	63,059	23,059	56,226	4.8294	1,839,139	1,939,600	Yes	7th

[a] Rounded; see attachments for project titles

Source: State Finance Committee

Joint Committee on Higher Education - TF 97
April, 1972

APPENDIX D

Washington State - Institutions of Public Higher Education
MISCELLANEOUS FEE-SUPPORTED BONDS
As of June 30, 1971

SERIES	PROJECT TITLE	DATE SOLD	TERM (years)	EFF. INT. RATE (%)	AUTHD. & ISSUED (000)	REDEEMED (000)	OUTSTANDING (000)	AVE. ANNUAL DEBT SERVICE	DEBT SERVICE RESERVE
Central Washington State College									
Stu.Un.1966 *(HUD - Revs., stud.fees)*	Remdl.Stu.Un.	8/15/61	30	3.125	$ 321	$ 76	$ 245	$ 17,384	$ 35,800
Stu.Activs.1968 *(Stud.fees)*	Remdl.&Enlarg.SU	8/26/68	30	5.0176	2,400	35	2,365	158,742	317,484
Eastern Washington State College									
Stu.Un.Bldg. *(Earnings & rental)*	WW Isle Mem.SU Bldg	6/ 1/55	30	3.25	210	96	114	11,858	12,000
Stu.Un.Bldg. *(Earnings & rental)*	WW Isle Mem.SU Bldg	8/ 1/58	27	3.70	185	95	90	11,372	11,000
Stu.Facils-A,B *((A)Stud.facils fee,(B)HUD-stud.union bldg.fee)*	Stu.Un.Bldg.	5/ 7/69 6/19/69	30	6.3049(A) 3.0(B)	2,300	70	2,230	158,350	330,445
University of Washington									
Stu.Un.Bldg.1962 *(HUD - Stud.fees)*	Stu.Union Expan.	10/11/63	40	3.375	756	312	444	27,930	a/
Stu.Activs.-A *(Stud.fees)*	Intramur.Act.Bldg.	1/22/65	30	3.38433	3,500	350	3,150	194,133	b/
Stu.Facils,1968 *(Stud.fees)*	Stu.Services Bldg.	1/26/68	30	4.7736	3,500	170	3,330	220,399	b/
Stu.Facils,1969 *(Stud.fees)*	Fd.Ser.,Remdl.,Ren.	3/28/69	30	5.9669	2,500	70	2,430	177,900	b/

a/ $72,195 or twice maximum annual debt service
b/ Maximum annual debt service

Joint Committee on Higher Education - TF 97
August, 1972

Miscellaneous Fee-Supported Bonds, 1971
Page 2

SERIES	PROJECT TITLE	DATE SOLD	TERM (years)	EFF. INT. RATE (%)	AUTHD. & ISSUED (000)	REDEEMED (000)	OUTSTANDING (000)	AVE. ANNUAL DEBT SERVICE	DEBT SERVICE RESERVE
Park.Sys.,1966 *(Fed. loan - parking rev.)*	Pdlfd.Hall Garages	2/24/67	30	4.00	$ 2,500	$ 240	$ 2,260	$ 144,744	$ b/
Park.Sys.,1969 *(Parking rev.)*	Parking Garage	5/23/69	30	6.5479	3,500	85	3,415	266,871	b/
Washington State University									
Stu.Facil.1969-A *(Stud.facils.fees)*	Stu.Un.Bldg.	2/17/69	30	5.5007	3,000	90	2,190	203,813	b/
Stu.Facils.1969-B *(Fed. - stud.facils.fees)*	Stu.Un.Bldg.	2/17/69	30	3.00	500	20	480	25,577	b/
Bellevue Community College									
Park.System *(Revs.)*	Phase I Const.	5/ 6/69	1-15	7.437	200	20	180	21,873	25,000
Shoreline Community College									
Veh.Park.Sys.,1967 *(Revs.)*	Parking Lot	8/24/67	15	6.42328	100	10	90		
Skagit Valley College									
Veh.Park. *(Cap.impvmt.fee)*	Auto.Park Fac.	9/ /70	5	7.	70	-0-	70	4,900	

b/ Maximum annual debt service amount

JCHE - TF 97

Washington State - Institutions of Public Higher Education
TUITION-SUPPORTED FACILITIES BONDS[a]
As of June 30, 1971

SERIES	PROJECT TITLE	DATE SOLD	TERM (years)	EFF. INT. RATE (%)	AUTHD. & ISSUED (000)	REDEEMED (000)	OUTSTANDING (000)	AVE. ANNUAL DEBT SERVICE	DEBT SERVICE RESERVE
Central Washington State College									
-A	Construct & Epuip Bldgs. *(NSF, tuition)* [c]	3/ 4/66	30	3.9348	$ 2,900	$ 230	$ 2,670	$ 166,031	$ [b]
-B	Construct & Remodl.Bldgs. *(NSF, tuition)* [c]	6/17/71	20	6.1987	3,000	-0-	3,000	267,979	554,425
Eastern Washington State College									
-A	Cons.,Cmplte.,Remodl,Bldgs *(NSF, land revs., tuition)* [c]	9/18/65	30	3.7514	2,955	280	2,715	165,433	343,700
-B	Cons.,Cmplte,Remdl.,Bldgs *(NSF, land revs., tuition)* [c]	7/21/70	20	6.8797	1,400	-0-	1,400	131,303	271,045
Western Washington State College									
-A	Partial funding for Bldgs *(NSF, tuition)* [c]	11/ 5/65	30	3.73378	3,850	310	3,540	217,795	[d]
-B	Partial funding for Fac. *(NSF, tuition)* [c]	10/17/68	30	5.2159	1,250	20	1,230	83,513	[d]
-C	Partial funding for Fac. *(NSF, tuition)* [c]	5/14/70	30	7.643389	1,800	-0-	1,800	151,123	[d]

[a] For state colleges, includes Normal School Permanent Fund support
[b] 2 times the maximum annual debt service.
[c] NSF = Normal School Fund
[d] Debt service reserves must be accumulated within five years of date of issue equal to at least twice the maximum annual debt service.

Joint Committee on Higher Education - TF 97
August, 1972

Tuition-Supported Bonds, 1971
Page 2

SERIES	PROJECT TITLE	DATE SOLD	TERM (years)	EFF. INT. RATE (%)	AUTHD. & ISSUED (000)	REDEEMED (000)	OUTSTANDING (000)	AVE. ANNUAL DEBT SERVICE	DEBT SERVICE RESERVE
University of Washington									
-A	Museum,Addn.,Bldgs.,Elec. *(Tuition,land revs.)*	2/ 4/58	20	3.8259	$ 2,350	$ 1,260	$ 1,090	$ 180,911	$ e/
-B	Museum,Addn.,Bldgs,Remld. *(Tuition, land revs.)*	4/17/59	30	4.04876	2,750	460	2,290	187,822	e/
-C	Bldgs.,Addn.,Elec.,Lab., etc. *(Tuition, land revs.)*	4/15/60	30	4.2056	2,000	310	1,690	133,555	e/
-D	Bldg.,Addn.,Lab.,Repairs *(Tuition, land revs.)*	11/17/61	30	3.8119	3,000	530	2,470	173,575	e/
-E	Lib.Addn.,Bldgs,Tunnels *(Tuition, land revs.)*	5/25/62	30	3.6337	3,000	530	2,470	171,492	e/
-F	Lib.Addn.,Bldgs.,Util. *(Tuition, land revs.)*	4/24/64	30	3.5554	1,500	195	1,305	84,466	e/
-G	Bldgs.,Ulti.&Tunnels *(Tuition, land revs.)*	3/26/65	30	3.4735	5,250	665	4,585	283,853	e/
-H	Arts&Sci.Bldg.,Eng.Bldg. *(HEW loan - tuition, land revs.)*	4/28/67	30	3.00	3,200	280	2,920	163,417	e/
-I	Addn.,Bldgs.,Fish.,Child Dev. *(Tuition, land revs.)*	4/28/67	30	4.1221	1,800	135	1,665	104,421	e/
-J	Bldgs.,Center,Util. *(Tuition, land revs.)*	6/27/69	30	6.069964	4,000	50	3,950	290,003	e/

e/ Twice calendar maximum annual debt service

JCHE - TF 97

Tuition-Supported Bonds, 1971
Page 3

SERIES	PROJECT TITLE	DATE SOLD	TERM (years)	EFF. INT. RATE (%)	AUTHD. & ISSUED (000)	REDEEMED (000)	OUTSTANDING (000)	AVE. ANNUAL DEBT SERVICE	DEBT SERVICE RESERVE
Washington State University									
-A	Bldgs.,Tower,Tunn.System *(Tuition)*	6/27/63	30	3.479	$ 4,580	$ 650	$ 3,930	$ 248,031	$ g/
1966f/	French Ad.Building *(Tuition, SF)* h/	3/18/66	30	4.03055	2,875	280	2,595	165,383	g/
1969-Af/	PE Bldg.,DD Bldg.,Addns. *(HEW purch. - tuition, SF)* h/	1/10/69	30	3.0	2,890	88	2,802	154,238	g/
1969-Bf/	PE Bldg.,DD Bldg.,Addns. *(Tuition, SF)* h/	1/10/69	30	5.2817	2,855	130	2,725	177,374	g/

f/ Includes Scientific Fund support
g/ Twice the maximum amount required in any calendar year to pay the principal and the interest.
h/ SF = Scientific Fund

Washington State - Institutions of Public Higher Education
HOUSING AND DINING FACILITIES BONDS
As of June 30, 1971

SERIES	PROJECT TITLE	DATE SOLD	TERM (years)	EFF. INT. RATE (%)	AUTHD. & ISSUED (000)	REDEEMED (000)	OUTSTANDING (000)	AVE. ANNUAL DEBT SERVICE	DEBT SERVICE RESERVE
Central Washington State College									
1958	6 Dorms, 2 Apts. *(HUD - Stud. fees, revs.)*	10/21/60	40	3	$ 1,446	$ 353	$ 1,093	$ 59,262	$ 129,500
1961-A,B	Dorms, Duplx, Din. *(HUD - Stud. Fees, revs.)*	10/26/62	39(A) 40(B)	3-1/8(A) 3-1/2(B)	550(A) 2,774(B)	131(A) 595(B)	419(A) 2,179(B)	22,556(A) 120,252(B)	320,068
1963-A,B	Dorms, Commons Addn. *(HUD - Revs.,stud.bldg. use fees)*	9/24/65	40	3-1/2(A) 3-5/8(B)	2,300(A) 500(B)	229	2,571	110,415(A) 24,648(B)	409,938
1964	2 Dorms *(HUD - Revs.,stud.bldg. use fees)*	11/ 9/66	40	3.75	2,550	186	2,364	127,061	124,428
1965	Dorms *(HUD - Revs.,stud.bldg. use fees)*	11/ 9/66	40	3.75	1,275	67	1,208	63,434	63,434
1967	Student Village *(HUD - Revs.,stud.bldg. use fees)*	12/ 6/68	30	3	3,000	144	2,856	133,362	133,362
1969-I	Food Storg. Facility *(Revs.,stud.bldg. use fees)*	9/ 4/69	15	7.669	580	-0-	580	67,062	67,062
1969-II	Student Vill.Phs.II *(HUD int.sub - Revs.,stud.bldg. use fees)*	10/15/69	30	6.57675	2,415	-0-	2,415	187,050	187,050
1970	Brk.lane Village *(HUD int.sub - Revs.,stud.bldg. use fees)*	10/13/70	30	7.0581	3,050	-0-	3,050	248,800	248,800
Eastern Washington State College									
1964	Pearce Dorm *(Part HUD - Stud.bldg.fee, revs.)*	1/23/64	20	3.50	3,062	2,402	660	73,540	151,579

Joint Committee on Higher Education - TF 97
August, 1972

SERIES	PROJECT TITLE	DATE SOLD	TERM (years)	EFF. INT. RATE (%)	AUTHD. & ISSUED (000)	REDEEMED (000)	OUTSTANDING (000)	AVE. ANNUAL DEBT SERVICE	DEBT SERVICE RESERVE
1965	Dressler Hall *(HUD - Stud.bldg. fee,revs.)*	10/21/66	40	3.75	$ 1,813	$ 157	$ 1,656	$ 87,080	$ 90,207
-A	Refund. St. Fac. Rev. Bond of 1961 *(HUD - Stud.fees,revs.)*	11/18/65	36	3.50	2,092	-0-	2,092	147,221	147,221
-B	Dryden Dorm, Addn.-Din. *(Stud.fees,revs.)*	1/12/66	40	3.625	1,384	94	1,290	67,045	67,609
1966	Streeter Dorm *(HUD - Stud.fees,revs.)*	11/17/67	40	3.0	1,785	50	1,735	79,599	78,689
1969	Morrison Dorm *(HUD - Stud.fees,revs.-1961 bonds)*	1/22/70	30	3.2968	3,135	-0-	3,135	272,658	272,519
The Evergreen State College									
1971	Modular Apts. *(Revenues)*	11/18/71	11	4.7483	850	-0-	850	102,544	120,000
Western Washington State College									
1965-A	Edens Hall,No. & Hghlnd. Hl. *(refunding - Revs,stud.bldg.use fees)*	1/13/66	21	4.749	500	85	415	37,160	36,000
1965-B	Student Center(Vik.Hall) *(refunding - HUD - Revs,stud.bldg.use fee)*	1/13/66	22	2-7/8	384	139	245	21,888	22,533
1965-C	Vik. Cmns., Hig.Hl., Addn.Hl. *(refunding - HUD)*	1/13/66	34	3.125	1,805	255	1,550	86,226	84,615
1965-D	Ridgeway I(Refund.Iss.) *(HUD - Revs,stud.bldg.use fee)*	1/13/66	37	3.5	1,750	230	1,520	82,716	84,615

SERIES	PROJECT TITLE	DATE SOLD	TERM (years)	EFF. INT. RATE (%)	AUTHD. & ISSUED (000)	REDEEMED (000)	OUTSTANDING (000)	AVE. ANNUAL DEBT SERVICE	DEBT SERVICE RESERVE
1965-E	Ridgeway II(Refund.Iss.) *(HUD - Revs,stud.bldg.use fee)*	1/13/66	37	3.5	$ 1,460	$ 110	$ 1,350	$ 72,051	$ 72,051
1965-F	Ridgeway III *(HUD - Revs,stud.bldg.use fee)*	1/13/66	40	3.625	2,350	125	2,225	114,996	114,997
1966	Mathes Hall *(HUD - Revs,stud.bldg.use fee)*	12/ 8/66	40	3.75	1,475	60	1,415	73,454	a/
1967-A	Nash Hall *(HUD - Revs,stud.bldg.use fee)*	10/30/67	39	3.0	1,630	75	1,555	72,414	a/
1967-B	Vik.Union Addn. *(Revs.,stud.bldg.use fee)*	10/30/67	40	5.049096	525	5	520	30,615	a/
1967-C	Vik.Union Addn. *(Revs,stud.bldg.use fee)*	10/30/67	40	3.0	500	5	495	22,249	a/
1967-D	Commissary *(Revs,stud.bldg.use fee)*	10/30/67	40	5.053566	865	10	855	50,889	a/
1968	Fairhaven Hsg-Din. *(Revs,stud.bldg.use fee)*	8/ 8/68	40	4.8294	3,900	-0-	3,900	228,254	a/
1970-a	Hsg.'71(Buch.Towers) *(Revs,stud.bldg.use fee)*	2/ 5/70	30	7.271	3,850	-0-	3,850	323,736	a/
1970-B	Hsg.'71(Birnam Wood) *(Revs,stud.bldg.use fee)*	2/ 5/70	30	7.27129	2,150	-0-	2,150	180,568	a/

a/ Debt service reserve equal to average annual debt service

JCHE - TF 97

SERIES	PROJECT TITLE	DATE SOLD	TERM (years)	EFF. INT. RATE (%)	AUTHD. & ISSUED (000)	REDEEMED (000)	OUTSTANDING (000)	AVE. ANNUAL DEBT SERVICE	SERVICE RESERVE
University of Washington									
1960	Comm-Duch. Apts. *(Revs.)*	3/28/60	30	4.25	$ 1,100	$ 257	$ 843	$ 65,536	$ 132,000
1965-A	Men's Res. Hall *(fed. - Revs.)*	6/24/66	31	2.75	3,256	402	2,854	150,804	
1965-B	Res. Hall,Hosp.Stf.Apts. *(fed. - Revs.)*	6/24/66	34	3.00	1,925	180	1,745	90,952	
1965-C	Res.Hall(Unit II) *(fed. - Revs.)*	6/24/66	35	3.50	760	-0-	760	55,363	
1965-D	Res.Hall(Unit III),Remodl. *(fed. - Revs.)*	6/24/66	37	3.50	1,105	-0-	1,015	71,429	
1965-E	Res.Hall(Unit III),Remodl. *(fed. - Revs.)*	6/24/66	37	3.375	2,445	-0-	2,445	145,995	
1965-F	Res.Hall(Unit IV),Remodl. *(fed. - Revs.)*	6/24/66	38	3.625	6,135	415	5,720	299,892	
1966	Res.Hall(Unit V),Apts. *(fed. - Revs.)*	1/15/70	38	3.00	3,500	50	3,450	155,794	
Washington State University									
1960-B	2 Halls,Din.Facility *(Rev.)*	7/13/64	38	3.125	6,550	6,305	245		
1962	1 Hall,Din.Fac.,Fd.Bldg. *(Rev.)*	10/13/64	38	3.301	3,923	3,793	130		
1965-A	2 Halls, Apts. *(Refunding - fed. - Rev.)*	10/28/66	30	2.750	1,635	190	1,445	80,737	

SERIES	PROJECT TITLE	DATE SOLD	TERM (years)	EFF. INT. RATE (%)	AUTHD. & ISSUED (000)	REDEEMED (000)	OUTSTANDING (000)	AVE. ANNUAL DEBT SERVICE	DEBT SERVICE RESERVE
1965-B	Refund.Series 1960-B *(Refunding - fed. - Rev.)*	10/28/66	27	3.125	$ 5,195	$ -0-	$ 5,195	$ 285,602	$
1965-C	Rogers Hall,Apts. *(Refunding - fed. - Rev.)*	10/28/66	35	3.500	2,200	180	2,020	109,749	
1965-D	Refund.Series 1962 *(Refunding - fed. - Rev.)*	10/28/66	30	3.375	3,450	-0-	3,450	184,531	
1965-E	Steph.Center, 2 Halls *(HUD - Rev.)*	10/28/66	38	3.625	2,954	204	2,750	144,293	
1965-F	Din.Hall,Social Center *(HUD - Rev.)*	10/28/66	38	3.750	1,890	125	1,765	94,125	
1968-G	Res.Center - East *(int. sub. - Rev.)*	7/26/68	35	5.120	1,880	40	1,840	117,009	
1970-H	Stp.Vill.Apts. *(int. sub. - Rev.)*	9/18/70	35	6.9316	3,685	20	3,665	283,944	
Olympic College									
	Dormitory *(Revs.)*		40	3	1,320	-0-	1,320	73,500	59,000
Peninsula College									
1968	Pen.Coll.Dorm *(HUD)*	4/ 1/70	38	3	625	10	615	27,764	28,000

Washington State - Institutions of Public Higher Education
SBCCE TUITION FEE PARITY BONDS (STATEWIDE ISSUES)
As of April 1, 1972

SERIES	SOLD	TERM (Years)	EFF. INT. RATE (%)	AUTHD. (000)	ISSUED (000)	REDEEMED (000)	OUTSTANDING (000)	AVE. ANNUAL DEBT SERVICE	DEBT SERVICE RESERVE
1969	9/30/69	30	6.9998	$ 22,000	$ 22,000	$ 250	$ 21,750	$1,768,660	$3,610,000
1971	3/ 4/71	30	6.0396	21,000	21,000	-0-	21,000	1,640,098	6,732,200
1972A	3/ 9/72	30	5.201830	27,000	10,000	-0-	10,000	670,836	1,407,600

Source: State Board for Community College Education

Joint Committee on Higher Education - TF 97
April, 1972

APPENDIX E

AN ACT Relating to bonds of institutions of higher education; adding new sections to chapter 43.33 RCW; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Section 1. There is added to chapter 43.33 RCW a new section to read as follows:

Upon and after the effective date of this 1973 act, in addition to its other powers and duties, the state finance committee, or its successor, shall have responsibility for providing coordination and technical assistance related to the sale and the timing of issuance of all bonds of institutions of higher education.

NEW SECTION. Sec. 2. There is added to chapter 43.33 RCW a new section to read as follows:

In carrying out the purposes of section 1 of this 1973 act, the state finance committee or its successor, when requested, shall provide assistance for the institutions of higher education in planning the timing of bond issues, preparing the necessary statements and prospectuses, deciding whether to retain financial consultants, and other procedures attendant on the issuance and sale of such bonds.

NEW SECTION. Sec. 3. There is added to chapter 43.33 RCW a new section to read as follows:

To aid in carrying out the purposes of sections 1 and 2 of this 1973 act, there is hereby created an advisory committee for bond management in higher education, composed of a representative of the office of program planning and fiscal management, a representative of the state finance committee, two representatives of the four-year institutions of higher education nominated by the council of

presidents, and two representatives of the community college system nominated by the state board for community college education. The committee shall meet at least annually with appropriate staff of the state finance committee and advise on the development of the procedures and guidelines for effective bond management.

NEW SECTION. Sec. 4. There is added to chapter 43.33 RCW a new section to read as follows:

For the purposes of sections 1 through 4 of this 1973 act, "institutions of higher education" means the state colleges and universities, the state board for community college education, and the community college system.

NEW SECTION. Sec. 5. If any provision of this 1973 act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

APPENDIX F

WHEREAS, By House Resolution 71-97 the legislature directed a study of bond management for higher education; and

WHEREAS, The Joint Committee on Higher Education, in compliance with that directive has submitted a report to the 1973 legislature, including legislative proposals aimed at improving the marketability of higher education bond issues; and

WHEREAS, In section ...., chapter ...., Laws of 1973 (House Bill No. ....) an Advisory Committee For Bond Management In Higher Education is created to assist in meeting these objectives; and

WHEREAS, It is recognized that every effort should be made to take advantage of the marketing conditions which would result in the most favorable possible interest terms for the bond issues of the institutions of higher education;

NOW, THEREFORE, BE IT RESOLVED, By the House of Representatives, the Senate concurring, That The Advisory Committee For Bond Management In Higher Education shall conduct a study of the alternatives available which might result in lower interest costs in the capital funding for higher education, and shall submit its findings by September 1, 1974, to the Legisative Budget Committee and the Joint Committee on Higher Education.

BE IT FURTHER RESOLVED, That The Advisory Committee For Bond Management In Higher Education be composed of a representative of the staff of the Office of Program Planning and Fiscal Management, a representative of The Council on Higher Education, a representative of the State Finance Committee, two representatives of the four-year institutions of higher education nominated by the Council of Presidents and two representatives of the community college system

nominated by the State Board for Community College Education.

APPENDIX G

AN ACT Relating to the distribution of interest credited to public funds and accounts; and amending section 2, chapter 72, Laws of 1971 ex. sess. and RCW 43.85.241.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 2, chapter 72, Laws of 1971 ex. sess. and RCW 43.85.241 are each amended to read as follows:

On or before July 20 ((~~of 1974, and annually thereafter~~)) of every year, the state treasurer shall distribute all interest credited to the deposit interest fund as of June 30. Said fund shall be divided among the various funds from which such investments and investment deposits are made, in proportion to the respective amounts thereof. Interest so distributed shall be credited to the proper fund in the fiscal year in which it was collected: PROVIDED, That those accounts in the general fund which are designated by law to receive the proceeds of bond issues which are secured by nontax revenue shall also share the distribution of deposit interest in proportion to the respective amounts in said accounts.

Form FN-1 (Rev. 12-71).

FISCAL NOTE

APPENDIX H

Joint Committee on Higher Education
Responding Agency Title — Code No.

Requested By

Reviewed By OPP&FM

REQUEST NUMBER
Concerning HR 71-97
SB NO. — HB NO.

Original XX
House Committee Amendment ☐
Senate Committee Amendment ☐
Engrossed House Bill ..... ☐
Engrossed Senate Bill..... ☐
Substitute ..... ☐

Bill Requested By: Executive ☐; Department ☐; Legislative Committee Jt. Com.on Higher Ed.
Title

New Program or Activity XX; Change in Existing Program or Activity ☐

Title of Bill: An Act Relating to . . . bonds of institutions of higher education...

ESTIMATED FISCAL IMPACT OF PROPOSED LEGISLATION

A. **Revenue Impact by Fund and Source:**	BIENNIAL IMPACT FIRST YEAR Increase (Decrease)	BIENNIAL IMPACT SECOND YEAR Increase (Decrease)	BIENNIAL IMPACT TOTAL Increase (Decrease)	FIVE-YEAR IMPACT Increase (Decrease)
Fund Title:				
Source Title:				
State				
Federal				
Local				
TOTAL				
B. Expenditure Impact by Source of Funds:				
Fund Title:				
State	630	420	1,050	1,680
Federal				
Local				
TOTAL	630	420	1,050	1,680
C. Expenditure Impact Detail:				
Man Years				
Salaries and Wages				
Personal Service Contracts				
Goods and Services				
Travel	630	420	1,050	1,680
Equipment				
Employee Benefits				
Grants and Subsidies				
Debt Service				
Capital Outlay:				
Land				
Buildings				
Improvements Other Than Buildings				
TOTAL	630	420	1,050	1,680

D. Attach Explanation of Estimate
(Use Form FN-2)

Barbara Howard
Prepared By — Title — Date

FISCAL NOTE

Joint Committee on Higher Education
Responding Agency Title

Code No.

Concerning REQUEST NUMBER HR 71-97
SB NO. HB NO.

Date Submitted

The purpose of this fiscal note is to summarize the expenditures which would be associated with creation of an advisory committee on bond management for higher education, as provided in section 3 of H.B. ____ (see Appendix E). The three basic assumptions are: (1) that this advisory committee would meet in Olympia three times the first year, twice the second year, and once a year thereafter; (2) that only travel expenses (mileage and per diem) would be incurred, the members of the advisory committee donating their time in the interests of higher education; and (3) that, for the purposes of calculation, four members of the committee would be based in Olympia, thus requiring no travel expenses, and (arbitrarily) one member each would travel from the eastern, central and western areas of the state. Miscellaneous expenses, such as publication of guidelines, would be absorbed in the budget of the State Finance Committee.

The expenditure summary follows:

First year

Members' per diem (12 days at $20)	= $240	
Members' travel (approx. 3,900 miles at $.10 per mile)	= 390	
Total first year		$ 630

Second year

Members' per diem (8 days)	= $160	
Members' travel (2,600 miles)	= 260	
Total second year		$ 420

FIVE-YEAR IMPACT $1,680